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6 **IN THE UNITED STATES DISTRICT COURT**
7 **FOR THE DISTRICT OF ARIZONA**

8

9 United States of America,

No. CV-23-00506-PHX-SMB

10 Plaintiff,

ORDER

11 v.

12 Janice Sue Taylor, et al.,

13 Defendants.

14

15 Pending before the Court is Plaintiff's Motion for Default Judgement (Doc. 55),
16 Defendant 11 Mile Corner Land Trust's Motion for Discovery (Doc. 60), Defendant
17 Desiree E. Saunders' Motion to Deny Claim of Federal Jurisdiction (Doc. 63), Motion to
18 Vacate in Favor of Trustee, Motion to Set aside Entry of any Default Motion, and Motion
19 to Dismiss with Prejudice (Doc. 66). After reviewing the briefing and relevant case law,
20 the Court will grant Plaintiff's Motion for Default Judgment (Doc. 55). The remainder of
21 the pending Motion's will be denied as either moot, violative of the Local Rules of Civil
22 Procedure in blatant disregard of this Court's warning (*see* Doc. 41), or outright frivolous.

23 **I. BACKGROUND**

24 This case arises from alleged unpaid tax assessments, civil penalties, and the United
25 States' attempt to foreclose tax liens on several properties (the "Subject Properties")
26 belonging to Defendants. (*See* Doc. 1.) The United States alleges that Ms. Taylor has
27 unpaid federal tax liabilities, and therefore, the government may claim an interest in the
28 real properties at issue. (*Id.* at 3 ¶ 5.) Mr. McBride, Ms. Taylor's husband, is the trustee

1 of several land trusts that have an interest in the Subject Properties. (*Id.* ¶ 6.) Ms. Saunders
 2 is Ms. Taylor's daughter and similarly is the trustee of other land trusts that have an interest
 3 in the Subject Properties. (*Id.* ¶ 7.) The Subject Properties comprise eleven pieces of real
 4 property in Pinal County and Maricopa County, Arizona. (*Id.* at 5 ¶ 19.)

5 In 2010, Ms. Taylor was indicted on charges of tax evasion and failure to file tax
 6 returns for tax years 2003 through 2006. (*Id.* at 11 ¶ 68.) After a five-day jury trial, she
 7 was found guilty and was sentenced to 78 months in federal prison and was also ordered
 8 to pay \$2,234,219 in restitution. (*Id.* ¶¶ 68–69.) After Ms. Taylor's trial, the Internal
 9 Revenue Service ("IRS") determined her tax liability for tax years 2003 through 2006 and
 10 sent her a notice of deficiency that also included proposed additional tax and penalties. (*Id.*
 11 at 11–12 ¶¶ 71–72.) In 2006, the United States brought a summons enforcement case
 12 against Ms. Taylor in this District. (*Id.* at 12 ¶ 75.) However, she refused to comply with
 13 a court order to turn over documents to the IRS. (*Id.* ¶ 76.) As a result, she was held in
 14 contempt for over two years. (*Id.*) A portion of the contempt sanctions was an award of
 15 \$4,339.33 in costs, which the IRS assessed against her in 2013. (*Id.* ¶ 78.) The United
 16 States alleges that despite notice and demand for payment of all these assessments, Ms.
 17 Taylor has "neglected, refused, or failed to fully pay" them. (*Id.* ¶ 80.) Moreover, the
 18 United States notes that interest, penalties, and statutory additions have accrued and will
 19 continue to accrue as provided by law. (*Id.* at 13 ¶ 82.) Ms. Taylor's total federal tax
 20 liability, as alleged in the Complaint, is \$3,727,865.28, plus interest and applicable
 21 statutory additions. (*Id.*)

22 The United States alleges that Ms. Taylor utilizes sham trusts (the "Taylor Trusts")
 23 or entities (the "Taylor Entities") to hold title to the Subject Properties and shield them
 24 from creditors. (*Id.* at 15–16 ¶¶ 88–92.) The trustees on several of the Taylor Trusts are
 25 Mr. McBride and Ms. Saunders.¹ (*See id.* at 5–11 ¶¶ 19–65.) The United States seeks an

26 ¹ The Taylor Trusts that Ronald McBride serves as trustee for are the following
 27 Defendants: Burning Bush Ministries Land Trust, Barstow Land Trust; Pioneer Land Trust,
 28 and Sunscape #2 Land Trust. The Taylor Trusts with that Saunders serves as trustee for are
 the following Defendants: MMM Land Trust; Higley Citrus Trust #D2, Pierce Family
 Trust; Myracine Land Trust; Barstow Land Trust; and Sunscape 37 Land Trust. The Taylor
 Entities are Burning Bush Ministries, McBride Musical Ministries, Herbal Research

1 order entering default judgment against Ms. Taylor for her full federal tax liability and
 2 foreclosing the federal tax liens on the Subject Properties. (*Id.* at 29–30.) On January 3,
 3 2024, the Clerk of the District of Arizona entered default against Defendants Burning Bush
 4 Ministries Land Trust, Pierce Family Trust Dated November 15, 2006, Barstow Land Trust
 5 Dated March 8, 2005, Pioneer Land Trust, Sunscape #2 Land Trust Dated April 18, 2005,
 6 MMM Land Trust Dated October 3, 2003, Higley Citrus Trust #D2, Myracine Land Trust
 7 Dated November 1, 2004, Sunscape 37 Land Trust Dated November 1, 2004, Burning Bush
 8 Ministries, McBride Musical Ministries, Herbal Research Institute, Service Finance
 9 Company LLC, Tamaron Homeowners Association, Peacepipe 20 LLC, Maricopa County,
 10 Janice Sue Taylor and Ronald McBride. (Doc. 49.) The United States now moves for
 11 default judgment against these Defendants.² (Doc. 55.)

12 **II. LEGAL STANDARD**

13 A court’s decision to enter a default judgment is discretionary, *Aldabe v. Aldabe*,
 14 616 F.2d 1089, 1092 (9th Cir. 1980), and is “ordinarily disfavored” because “[c]ases should
 15 be decided upon their merits whenever reasonably possible,” *Eitel v. McCool*, 782 F.2d
 16 1470, 1472 (9th Cir. 1986). In consideration a motion for default judgment, a court takes
 17 “the well-pleaded factual allegations” in the pleadings “as true.” *Cripps v. Life Ins. Co. of*
 18 *N. Am.*, 980 F.2d 1261, 1267 (9th Cir. 1992). But “necessary facts not contained in the
 19 pleadings, and claims which are legally insufficient, are not established by default.” *Id.*

20 Courts may consider various factors, including:

21 (1) the possibility of prejudice to the plaintiff; (2) the merits of plaintiff’s
 22 substantive claim; (3) the sufficiency of the complaint; (4) the amount in
 23 controversy; (5) the possibility of factual dispute; (6) whether the default was
 24 due to excusable neglect; and (7) the strong preference to decide cases on the
 25 merits.

26 *Eitel*, 782 F.2d at 1472. “The merits of the plaintiff’s substantive claim and the sufficiency

27 Institute, and Peacepipe 20 LLC.

28 ² The Court previously dismissed Defendants Eloy Cota, Sunset Ranch Investments LLC,
 DJ Point LLC, and 11 Mile Corner Land Trust. (Doc. 44.) Pinal County stipulated to
 priority with the United States and was excused from further participation in this case.
 (Doc. 50.)

1 of the complaint are often treated by courts as the most important Eitel factors.” *Fed. Nat'l
2 Mortg. Ass'n v. George*, No. EDCV 14-01679-VAP (SPx), 2015 WL 4127958, at *3 (C.D.
3 Cal. July 7, 2015). And while some districts’ local rules impose additional requirements
4 for default judgment, the District of Arizona does not. *See, e.g.*, Local Rules W.D. Wash
5 LCR 55(b)(2).

6 III. DISCUSSION

7 A. Jurisdiction

8 Before entering default judgment, a court must confirm that it has both personal and
9 subject matter jurisdiction. *See In re Tuli*, 172 F.3d 707, 712 (9th Cir. 1999) (“When entry
10 of judgment is sought against a party who has failed to plead or otherwise defend, a district
11 court has an affirmative duty to look into its jurisdiction over both the subject matter and
12 the parties.”). Federal courts ordinarily follow state law in determining the bounds of their
13 jurisdiction over persons.” *Daimler AG v. Bauman*, 571 U.S. 117, 125 (2014). Arizona
14 law authorizes courts to exercise jurisdiction over persons “to the maximum extent
15 permitted by . . . the United States Constitution.” Ariz. R. Civ. P. 4.2(a). General
16 jurisdiction exists when the defendant has “continuous and systematic” contacts with the
17 forum state. *See Helicopteros Nacionales de Colombia, S.A. v. Hall*, 466 U.S. 408, 414–16
18 (1984).

19 The Court has general personal jurisdiction over Defendants, as all have substantial
20 contacts with Arizona. First, Defendants reside in Arizona. (*See* Doc. 8 at 1; Doc. 10 at
21 1.) Ms. Taylor and Mr. McBride reside in Pinal County, and Ms. Saunders resides in
22 Maricopa County. (*See* Doc. 8 at 1; Doc. 10 at 1.) Second, the tax liabilities alleged in the
23 Complaint arose within the District of Arizona. (*See generally* Doc. 1.) And lastly, the
24 Subject Properties are located within this District. (*See id.* at 5–10.) Thus, the Defendants
25 have substantial contacts with Arizona—the forum state—and they voluntarily created
26 these contacts. The contacts are substantial, continuous, and systematic. Therefore, the
27 Court has general personal jurisdiction over Defendants.

28 The Court has federal question jurisdiction because the action arises under various

1 federal statutes. (Doc. 1 at 15–29); *see also* 28 U.S.C. § 1340 (providing district courts
 2 with jurisdiction “of any civil action arising under any Act of Congress providing for
 3 internal revenue”); 28 U.S.C. § 1345 (granting district courts jurisdiction over actions
 4 commenced by the United States). Although, in what the Court understands to be two
 5 renewed Motions challenging jurisdiction, Ms. Saunders argues, among other things, that
 6 the United States is “attempting to exercise federal jurisdiction within a state of the
 7 America [sic] Union outside of all federal jurisdiction.” (Doc. 63 at 2; Doc. 66.) Several
 8 pages of copy-pasted legal excerpts from documents, cases, and treatises, spanning the
 9 entirety of American legal history buttress the arguments therein. (*See generally* Doc. 63;
 10 Doc. 66.) No argument in the renewed Motions evince a whit of merit. In fact, the Motions
 11 themselves are best described as preposterous.

12 B. Consideration of the *Eitel* Factors

13 1. Possibility of prejudice to Plaintiff

14 Here, without judgment, the United States contends it would be unable to recover
 15 the \$2,746,616.33 in accrued tax liabilities owed by Ms. Taylor as of June 24, 2024. (Doc.
 16 55 at 3; Doc. 55-1 (“Hobson Decl.”) ¶ 12.) Additionally, the United States contends that
 17 prejudice results without a determination that the Taylor Trusts and Taylor Entities are the
 18 nominees and alter-egos of Ms. Taylor because such determinations must precede
 19 collection. When the United States seeks to reduce to judgment federal taxes, it may be
 20 prejudiced when it is unable to obtain judgment. *See United States v. Maxwell*, No. CV-
 21 19-8330-PHX-DWL, 2020 WL 2319978, at *2 (D. Ariz. May 11, 2020). This is
 22 exceedingly true in cases such as this, where a judgment is the only avenue of redress for
 23 the United States to collect tax assessments before the statute of limitations expires. *See*
 24 26 U.S.C. § 6502. Therefore, first *Eitel* factor weighs in favor of granting Plaintiff’s
 25 Motion.

26 2. Merit of Plaintiff’s claims and the sufficiency of the Complaint

27 The second and third *Eitel* factors are generally the most important factors for the
 28 Court’s consideration in ruling on a motion for default judgment. *See Vietnam Reform*

1 *Party v. Viet Tan - Vietnam Reform Party*, 416 F. Supp. 3d 948, 962 (N.D. Cal. 2019). The
2 crux of the analysis is whether the United States has stated claims upon which it may
3 recover. See *PepsiCo, Inc. v. Calif. Sec. Cans*, 238 F. Supp. 2d 1172, 1175 (C.D. Cal.
4 2002); *Danning v. Lavine*, 572 F.2d 1386, 1388 (9th Cir. 1978). Importantly, after default
5 is entered against a party, all well-pleaded allegations, excepts those related to damages,
6 are admitted. *Geddes v. United Fin. Grp.*, 559 F.2d 557, 560 (9th Cir. 1977) (citing *Pope*
7 *v. United States*, 323 U.S. 1, 12 (1944)).

8 The United States asserts four counts upon which it seeks default judgment:

- 9 (1) Reduce to judgment Ms. Taylor's tax assessments for 2005–2006;

10 (2) Determine that the Taylor Trusts and Taylor Entities are the alter egos
11 and nominees of Ms. Taylor;

12 (3) Determine that the subject properties were subjects of fraudulent transfers
13 from Ms. Taylor;

14 (4) Determine federal tax liens against Ms. Taylor attach to the subject
15 properties and foreclose the liens.

16 || (Doc. 55 at 4, 6, 12, 14.) The Court addresses each count in turn.

17 *i. 2005–2006 tax assessments*

18 “In an action to collect tax, the government bears the initial burden of proof. The
19 government, however, may satisfy this initial burden by introducing into evidence its
20 assessment of taxes due.” *Oliver v. United States*, 921 F.2d 916, 919 (9th Cir. 1990). As
21 the United States has done so here, assessments may be evidenced by submitting IRS
22 Forms 4340 (Certificates of Assessment and Payment). *See, e.g., Norcal Gold, Inc. v.*
23 *Laubly*, 543 F. Supp. 2d 1132, 1136–37 (E.D. Cal. 2008); *Koff v. United States*, 3 F.3d
24 1297, 1298 (9th Cir. 1993); *see also Hughes v. United States*, 953 F.2d 531, 535 (9th Cir.
25 1992) (finding Form 4340 is a self-authenticating official document). The government
26 must also provide “minimal factual foundation” for the assessment. *Oliver*, 921 F.2d
27 at 920.

28 Here, the government has met their burden. The Complaint and declarations

1 provide the factual foundation for the Form 4340 and establish that the attempt to reduce
 2 the assessments to judgment were timely brought. (Doc. 1 at 2, 12–13 ¶¶ 3, 73, 78, 82;
 3 Hobson Decl. ¶¶ 3, 5–8.) Additionally, the United States has adduced sufficient evidence
 4 to support finding that the IRS properly assessed the civil penalty against Ms. Taylor under
 5 26 U.S.C. § 6673(b). (Doc. 1 at 12–13 ¶¶ 73, 78, 82.)

6 Defendants do not seriously contend otherwise; they simply parrot their prior
 7 challenges to this Court’s supposed lack of subject matter jurisdiction. For this reason, the
 8 Court finds that the United States has sufficiently pleaded and evidenced that it is entitled
 9 to reduce judgment Ms. Taylor’s tax assessments for 2005–2006.

10 *ii. Ms. Taylor’s nominees and alter-egos*

11 The United States asks the Court to determine that the Taylor Trusts and Taylor
 12 Entities are the nominees and alter-egos of Ms. Taylor. (Doc. 55 at 6.) The Court begins
 13 with a brief recitation of the relevant law. If a taxpayer neglects or refuses a demand for
 14 payment following a notice of assessment, a federal lien in that amount arises and attaches
 15 to the taxpayer’s property. *See* 26 U.S.C. §§ 6321, 6322. A lien arising from § 6321
 16 applies to all property of a taxpayer, including property held by a third-party as the
 17 taxpayer’s nominee or alter ego. *G.M. Leasing Corp v. United States*, 429 U.S. 338,
 18 350–51 (1977); *see also United States v. Miller Bros.* 505 F.2d 1031, 1032 (10th Cir. 1974)
 19 (finding that the legal title holder was a stand-in nominee for the taxpayer); *TBS Props.*
 20 *LLC v. United States*, No. CV-20-00195-PHX-DWL, 2020 WL 783040, *11 (D. Ariz. Mar.
 21 15, 2022) (discussing the availability of and refusing to preclude a nominee theory under
 22 *state* law). This district has previously considered the following factors as relevant to
 23 determining nominee status: (a) the absence of consideration or adequate consideration
 24 paid by the nominee; (b) whether the property was placed in the name of the nominee in
 25 anticipation of a suit or occurrence of liabilities while the transferor continues to exercise
 26 control over the property; (c) a close relationship between transferor and the nominee; (d)
 27 any failure to record conveyance; (e) the retention of possession by the transferor; and (f)
 28 continued enjoyment by the transferor of benefits of the transferred property. *United States*

1 *v. Richardson*, No. CV-04-0739-PCT-DGC, 2006 WL 3388347, *6 (D. Ariz. 2006)
 2 (quoting *Towe Antique Ford Found. v. I.R.S.*, 791 F. Supp. 1450, 1454 (D. Mont. 1992)).

3 With respect to an alter-ego a “corporation will be treated as a separate entity unless
 4 sufficient reason appears to disregard the corporate form. But when [an entity] is merely
 5 [another entity’s] alter ego and when observing the corporate form would work an injustice,
 6 a court may properly ‘pierce the corporate veil.’ . . . This ‘alter ego’ status exists when such
 7 unity of interest and ownership exists that the separate personalities of the corporations
 8 cease to exist. Thus, to establish that [an entity] is liable under the alter-ego theory, [a
 9 plaintiff] must show that unity of control exists, and that observance of the corporate form
 10 would sanction a fraud or promote injustice.” *TBS Props.*, 2022 WL 783040, *6
 11 (alterations in original) (quoting *Keg Restaurants Ariz., Inc. v. Jones*, 375 P.3d 1173, 1182
 12 (Ariz. Ct. App. 2016). “Corporate status, however, is not lightly disregarded.” *In re
 13 Keesling*, No. CV 12-01053-PHX-JAT, 2012 WL 5868883, *2 (D. Ariz. Nov. 19, 2012)
 14 (citing *Chapman v. Field*, 602 P.2d 481, 483 (Ariz. 1979)). “The actions of the corporation
 15 and owners must be so closely intermixed such as to justify finding a merger of identities.”
 16 *TBS Props.*, 2022 WL 783040, at *5 (cleaned up); *see also Keg Restaurants*, 375 P.3d at
 17 1182.

18 The United States offers ample evidence to prove that both the Taylor Trusts and
 19 Taylor Entities are mere nominees and alter-egos of Ms. Taylor. The Taylor Trusts that
 20 hold title to the subject properties include to MMM Land Trust; Burning Bush Ministries
 21 Land Trust; Higley Citrus Trust #D2; Pierce Family Trust; Myracine Land Trust; Barstow
 22 Land Trust; Pioneer Land Trust; Sunscape #2 Land Trust; and Sunscape 37 Land Trust,
 23 which (Doc. 1 at 15 ¶ 89.) Additionally, the Taylor Entities that hold title to the subject
 24 properties include McBride Musical Ministries, Burning Bush Ministries, and Herbal
 25 Research Institute. (*Id.* at 16 ¶ 91.) Both the Trusts and Entities were formed between
 26 October 2003 and November 2006, which was around the time the Trusts and Entities were
 27 used to acquire title to the Subject Properties. (*Id.* ¶ 92.) Ms. Taylor has signing authority
 28 and control over bank accounts used by the Trusts and Entities associated with the

1 purchases of the Subject Property. (*Id.* at 19 ¶¶ 109–110.) And although Ms. Taylor
 2 recorded the transfers, the deeds indicate that all transfers were to entities Ms. Taylor
 3 controls. (*Id.* at 5–9 ¶¶ 21–49.) Ms. Taylor has resided at the Subject Properties and has
 4 paid expenses, including property tax, but has not paid rent. (*Id.* at 20 ¶ 113.) Additionally,
 5 the trustees and beneficiaries for each Taylor Trust are her husband, daughter, or another
 6 entity under Ms. Taylor’s control. (*Id.* ¶ 114.) Essentially, Ms. Taylor enjoys the Subject
 7 Properties as if they were titled in her name. Thus, the Court determines that the Taylor
 8 Trusts and Taylor Entities are mere nominees and alter-egos of Ms. Taylor.³

9 *iii. Fraudulent transfers*

10 The United States argues that Ms. Taylor’s transfers of the Subject Properties were
 11 fraudulent under Arizona law.⁴ (Doc. 55 at 12.) Before the government can collect from
 12 a transferee, it must evince that the transfer was fraudulent under Arizona Revised Statute
 13 § 44-1004. Section 44-1004(A) explains that a transfer is fraudulent as to a present or
 14 future creditor if the debtor effected the transfer with “actual intent to hinder, delay or
 15 defraud any creditor of the debtor” or “[w]ithout receiving a reasonably equivalent value
 16 in exchange for the transfer obligation, and the debtor . . . [i]ntended to incur, or reasonably
 17 should have believed that he would incur, debts beyond his ability to pay as they became
 18 due.”

19 Under Arizona law, a “creditor” is “a person who has a claim.” Ariz. Rev. Stat.
 20 § 44-1001(3). Further a “claim” is broadly defined as “a right to payment” § 44-1001(2).
 21 And tax liability, even unassessed, “are deemed obligations due and owing at the close of
 22 the taxable year,” which would render the United States a creditor within the ambit of
 23 Arizona’s fraudulent transfer scheme. *See Edelson v. C.I.R.*, 829 F.2d 828, 833–34 (9th
 24 Cir. 1987).

25 To discern intent, § 44-1004(B) instructs courts to consider numerous factors,

26 ³ The United States’ Complaint and Motion for Default Judgment puts forth several other
 27 facts tending to show that the Taylor Trusts and Taylor Entities are mere nominees or
 28 alter-egos of Ms. Taylor. (*See Doc. 1; Doc. 55 at 6–12.*)

⁴ “Property 9” was sold outside of the instant lawsuit. (Doc. 55 at 14 n.4.) Therefore, the
 government is no longer seeking to foreclose upon Property 9 in this case. (*Id.*)

1 including whether “(1) [t]he transfer or obligation was to an insider. (2) The debtor retained
 2 possession or control of the property transferred after the transfer (8) The value of the
 3 consideration received by the debtor was reasonably equivalent to the value of the asset
 4 transferred or the amount of the obligation incurred. [And] (10) the transfer occurred
 5 shortly before or shortly after a substantial debt arose.” As discussed, Ms. Taylor
 6 transferred the Subject Properties to an insider—the Trusts and Entities she controls.
 7 Additionally, Ms. Taylor transferred the properties knowing that she would incur future
 8 tax debts, and the transfer would diminish her assets such that she could no longer pay that
 9 debt. Finally, Ms. Taylor continuously possessed and controlled the Subject Properties,
 10 either by residing in them or paying property related expenses. These transfers are exactly
 11 those contemplated under Arizona law as fraudulent. Therefore, the Court finds that Ms.
 12 Taylor fraudulently transferred the Subject Properties under § 44-1004, and the United
 13 States is entitled to relief as a creditor.⁵ *See Ariz. Rev. Stat. § 44-1007* (enumerating
 14 several remedies, including the attachment of a lien against the fraudulently transferred
 15 property).

16 *iv. Foreclosure of federal tax liens*

17 Federal statutes make clear that federal liens arising from 26 U.S.C. § 6321 attach
 18 to “all property and rights to property, whether real or personal, belonging to such person.”
 19 *See* § 6322 (“[T]he lien imposed by section 6321 shall arise at the time the assessment is
 20 made.”) Because the Court has determined that the Taylor Trusts and Taylor Entities
 21 possess title to the Subject Properties as the nominees, alter egos, and fraudulent transferees
 22 of Ms. Taylor, the federal tax liens against Ms. Taylor attach to the Subject Properties. *See*
 23 § 6321. Under 26 U.S.C. § 7403, the United States may “enforce [its] lien,” and “subject
 24 *and property, [of]* whatever nature, of the delinquent, or *in which he has any right, title, or*
 25 *interest, to the payment of such tax or liability.*” *United States v. Rogers*, 461 U.S. 677,
 26 692 (1983) (emphasis in original) (alterations in original). In other words, the United States

27 ⁵ As the United States explains, the transfer would also be fraudulent under
 28 § 44-1004(A)(2) because Ms. Taylor did not receive consideration for the transfer of the
 Subject Properties, and she knew or should have known that she was incurring debts
 beyond her ability to pay.

1 may sell the Subject Properties, irrespective of other interests apart from the delinquent
 2 taxpayer, and apply the proceeds towards the liens. *Id.* at 693–94; § 7403(c) (“The court
 3 shall, after the parties have been duly notified of the action, proceed to adjudicate all
 4 matters involved therein and finally determine the merits of all claims to and liens upon
 5 the property, and, in all cases where a claim or interest of the United States therein is
 6 established, may decree a sale of such property, by the proper officer of the court, and a
 7 distribution of the proceeds of such sale according to the findings of the court in respect to
 8 the interests of the parties and of the United States.”).⁶

9 The United States’ claims are meritorious, and the Complaint is more than sufficient
 10 to substantiate the claims set forth against Defendants. Therefore, the Court finds that the
 11 second and third *Eitel* factors favor default judgment.

12 3. Amount and nature of the requested relief

13 “Under the third *Eitel* factor, the court must consider the amount of money at stake
 14 in relation to the seriousness of Defendant’s conduct. *PepsiCo*, 238 F. Supp. 2d at 1176.
 15 Here, the United States is seeking judgment in the amount of \$2,746,616.33 and to
 16 foreclose on the tax liens. (Doc. 55 at 15.) Although this is a large sum of money to enter
 17 against an individual taxpayer, the United States is not seeking any damages, attorney fees,
 18 declaratory or injunctive relief. The requested relief is limited to the tax Ms. Taylor owes
 19 under the tax code, civil penalties, statutory additions, statutory interest, and tax
 20 recoupment through lien foreclosure under § 7403. (*Id.*) The requested amount is
 21 reasonable and proportional to the Complaint’s allegations, and thus this factor weighs in
 22 favor of default judgment. *Cf. O’Brien v. United States*, No. 2:07-CV-00986-GMN, 2010
 23 WL 3636171, *4 (D. Nev. Sept. 9, 2010) (finding the fourth *Eitel* factor to weigh in favor
 24 of default when the United States sought approximately \$3 million in tax liabilities).

25 4. Dispute of material facts; excusable neglect; policy considerations

26 The remaining *Eitel* factors also weigh in favor of default judgment. After default

27 ⁶ Defendants Service Finance Company LLC, Tamaron Homeowners Association, and
 28 Maricopa County have been properly served and have not claimed an independent interest
 in the Subject Properties. Therefore, the sale of those properties will occur irrespective of
 the existence of any unasserted interests. *See Rogers*, 461 U.S. at 692; § 7403.

1 is entered, the Court must construe well-pleaded allegations as true. *Cripps*, 980 F.2d
 2 at 1267. The evidence presented by the United States demonstrates the unlikelihood of
 3 material facts in dispute. Indeed, Defendants have done nothing to put any material fact at
 4 issue in this case and have instead elected to file several meritless briefs. (*See, e.g.*, Docs.
 5 60, 63, 66.) In other words, the United States' Complaint is replete with factual allegations
 6 that Defendants do not controvert.

7 Regarding excusable neglect, the United States properly served all Defendants. Ms.
 8 Taylor, Mr. McBride, Ms. Saunders, and the related Trusts and Entities, have not answered
 9 the Complaint, but have filed several motions, signifying their knowledge of and
 10 participation in this suit. Nothing else in the record, nor Defendants' arguments, tend to
 11 show that entry of default judgment would be a result of excusable neglect.

12 As a matter of policy, default judgment is generally disfavored, given that cases
 13 "should be decided on their merits whenever reasonably possible." *Eitel*, 782 F.2d at 1472.
 14 "However, the existence of Rule 55(b) of the Federal Rules of Civil Procedure, which
 15 authorizes default judgments, 'indicates that this preference, standing alone, is not
 16 dispositive.'" *Zekelman Indus. Inc. v. Marker*, CV-19-02109-PHX-DWL, 2020 WL
 17 1495210, *4 (D. Ariz. Mar. 27, 2020) (quoting *PepsiCo*, 238 F. Supp. 2d at 1177). Thus,
 18 even though this factor inevitably weighs against default judgment, it alone cannot
 19 overcome this Court's finding that all other factors weigh in favor of default judgment.

20 Ultimately, the sum of the *Eitel* factors support entering default judgment in this
 21 case.⁷

22 **IV. CONCLUSION**

23 Accordingly,

24 **IT IS HEREBY ORDERED** granting the United States' Motion for Default
 25 Judgment (Doc. 55).

26
 27 ⁷ Ms. Saunders has also filed a Motion titled "Request for Discovery On Sale Of 11 Mile
 28 Corner Trust, Paperwork Distribution," (Doc. 60), which is seemingly related to several
 motions filed after the Clerk's entry of default (*see* Doc. 57). The Motion is seemingly an
 attempt feign ignorance about the relationship between herself, Ms. Taylor, and the Subject
 Properties. The Court will deny this Motion.

1 **IT IS FURTHER ORDERED** that default judgment is entered against Janice Sue
2 Taylor for federal income tax assessments for tax years 2005-2006 and civil penalty for
3 2006 in the amount of \$2,746,616.33 as of June 24, 2024, plus interest and other statutory
4 additions under 28 U.S.C. § 1961(c) and 26 U.S.C. §§ 6601, 6621, and 6622, which have
5 accrued and will continue to accrue according to law until judgment is paid, less any
6 payments and credits.

7 **IT IS FURTHER ORDERED** that federal tax liens attach to the Subject Properties
8 because they are held by the nominees, alter egos, and fraudulent transferees of Janice Sue
9 Taylor.

10 **IT IS FURTHER ORDERED** foreclosing the United States' tax liens
11 encumbering the Subject Properties, authorizing the sale of those properties under 26
12 U.S.C. § 7403, and disbursement of the net proceeds to all creditors subject to the creditor's
13 priority.

14 **IT IS FURTHER ORDERED** requiring the United States to submit a proposed
15 order of foreclosure that incorporate the terms of its priority stipulation with Pinal County.

16 **IT IS FURTHER ORDERED** denying Defendants Motion for Discovery (Doc.
17 60), Motion to Deny Claim of Federal Jurisdiction (Doc. 63), Motion to Vacate in Favor
18 of Trustee, Motion to Set aside Entry of any Default Motion, and Motion to Dismiss with
19 Prejudice (Doc. 66).

20 Dated this 19th day of November, 2024.


Honorable Susan M. Brnovich
United States District Judge